

ADDRESS TO PARLIAMENT—13 MARCH 1972

Lok Sabha	—	Fifth Lok Sabha
Session	—	First Session of the Year
President of India	—	Shri V.V. Giri
Vice-President of India	—	Shri Gopal Swarup Pathak
Prime Minister of India	—	Smt. Indira Gandhi
Speaker, Lok Sabha	—	Dr. G.S. Dhillon

HON'BLE MEMBERS OF PARLIAMENT,

The nation has come through a great test. It has shown unity and courage, compassion and clarity of vision in the face of the external threat. The world now has a clearer idea of the quality of our people. The life and liberty of 75 million people were at stake in Bangladesh. While the world wavered, India gave refuge to ten million fugitives from tyranny, and when attacked, met aggression stoutly, defended her own freedom and went to the aid of Bangladesh in defence of human freedom.

Our armed forces fought with valour, ability and a sense of purpose. The co-ordination among the three services and other para-military forces was exemplary, as was the spirit of comradeship between officers and jawans. Many jawans and officers made the supreme sacrifice. Many more will bear for life the marks of their patriotism. As Supreme Commander of the Defence Forces I salute them and offer the nation's sympathy to their families. I acclaim the spirit of the people of our border areas who showed calmness and fortitude in the face of danger and the disruption of their normal lives. We are aware of our responsibility for the welfare and rehabilitation of those who have been displaced from their homes due to aggression. Civilians elsewhere also remained united and rose to the occasion.

The guidance of Parliament, the judgement and leadership displayed by the Government in its political, diplomatic and military policies and decisions, the effective functioning of the administrative machinery at all levels and the moral and determination of the people as a whole have contributed to our success. This has given the country a justifiable sense of confidence and pride.

When I addressed you last year, I called upon you to give undivided attention to economic and social transformation.

We could not have foreseen that a war would be forced upon us. But every great challenge met, every risk taken for a high cause, every task well done, generates new capacity and strength. Our unity, strength and resolve have grown during the year.

We should use these now to enlarge our programmes of social justice and equality, to forge ahead in our quest for self-reliance, and to pursue even more actively our basic policy of response to friendship, resistance to pressure and dedication to national interest and world peace.

In the last twelve months, self-reliance made gains in spite of widespread floods in the north and east and drought in the Deccan and the influx of Bangladesh refugees which caused all manners of stress and strain and brought in its wake staggering administrative and organisational problems. The defence effort to meet Pakistan's unprovoked aggression imposed further burdens on the economy. The peace on our borders is still uneasy and vigilance cannot be relaxed. With the liberation of Bangladesh we have to extend help to the new nation in its economic reconstruction. These factors have led to a re-aligning of our priorities in the short run as well as in the longer perspective.

Our economy showed resilience in coping with the unexpected strains of the year. The tempo of growth and development was maintained. Production of foodgrains rose by more than 8 per cent, reaching a record level of 108 million tonnes in the agricultural year 1970-71. In the current year production is expected to be even higher. As a result the Government has stopped concessional imports of foodgrains. Exports are looking up. Special measures for the creation of additional employment in rural areas and for the urban unemployed have made some progress. It is proposed to intensify these measures. The interim report of the Committee on Employment has just been received and is being studied. The Planning Commission has been reconstituted and the plan as a whole re-appraised.

The implementation of land reform measures has gained momentum. Assam, Bihar, Kerala and West Bengal have made headway in providing security of tenure and ensuring greater measure of equity in rentals. Assam, Rajasthan, Tamil Nadu and West Bengal have enacted legislation lowering the previous ceilings on land holdings. A national policy providing for lower ceilings on agricultural holdings has been enunciated, based on the recommendations of the Central Land Reforms Committee. The State Governments have been advised to amend their laws suitably in the light of these recommendations.

Programmes for providing water, electricity and credit to farmers have made headway. Credit from public and co-operative institutions is flowing into development of irrigation, particularly ground-water resources. The Rural Electrification Corporation has sanctioned Rs. 106 crore, of which Rs. 43 crore have been advanced to backward areas on concessional terms.

Slow progress in the industrial sector, however, has been causing concern. A number of remedial steps have been taken to promote better utilisation of capacity and to improve the pace of licensing of new units. Special attention has been given to the claims of new and medium entrepreneurs. The lending policies of financial institutions have been specially oriented in favour of backward areas. The output of the small-scale sector has been increased significantly through larger allocation of raw materials and liberal imports.

Government have provided for greater outlays in the public sector, since such outlays largely govern, the pace of industrial activity in our economy. Task Forces have been set up in each Ministry to assess progress, identify shortfalls, and suggest changes to accelerate Plan Schemes. The Industries (Development and Regulations) Act has been amended to give additional powers to Government to take over closed industrial units. A Plan Investment Board will soon be set up to provide a forum for the scrutiny of major public sector investment proposals through joint discussions.

My Government have been particularly anxious to revive industrial activity in West Bengal. Progress has been made in implementing a sixteen-point programme drawn up for this purpose.

In the wake of the recent emergency, I gave a call for a moratorium on strikes and lockouts to ensure that industrial unrest does not slow down industrial progress. The Prime Minister has also initiated a dialogue with the leaders of the trade union movement. I have no doubt that workers will fully contribute to the maintenance of industrial peace. They may rest assured that Government will ensure that the gains of increased productivity are equitably shared.

The tendency on the part of aid giving countries to use their credits as a lever to influence our policies adds urgency to our attainment of self-reliance. It is imperative that we should fill agricultural gaps, achieve full utilisation of installed capacity, avoid strikes and lockouts, and achieve increased productivity all round. Increased production of steel and fertilisers in the industrial sector and of commercial crops such as cotton and oilseeds in the agricultural sector and enhancement of our own technological competence hold the key to *Arthik Swaraj*. We should give the highest priority to efficiency in production and cost competitiveness. Export promotion and import substitution should be pursued with grim determination.

Preliminary work is in progress on the new steel plants at Salem, Visakhapatnam and Vijaynagar. Government have taken a decision to set up a holding company for steel and associated industries like coking coal, iron, manganese, etc. to achieve economics of vertical integration and ensure co-ordinated growth at minimum cost. Efforts to attain self-sufficiency in

fertilisers are continuing. Two new fertiliser plants have gone into production, two more are nearing completion. Construction has begun on three plants, two of them coal-based. Work on a third coal-based plant is expected to start shortly. Six new projects have been approved—three of them in the public sector.

The Intensive Cotton District Programme has made progress in thirteen districts. In addition, a special programme to spread a new high yielding variety of cotton—hybrid 4 has also been taken up. A beginning has been made to introduce non-traditional oilseeds such as soyabean and sunflower. Under a centrally-sponsored scheme, soyabean cultivation will be extended over 4 lakh hectares by 1973-74. Trial and selection of suitable sunflower varieties has also been taken up.

The newly constituted National Committee on Science and Technology has initiated a number of studies on the contribution which indigenous research and development effort can make to self-reliance in different areas of our economy.

Simultaneously, with reduced reliance on external assistance, *Arthik Swaraj* requires greater mobilisation of domestic resources and stricter financial discipline all round. Steps are being taken in consultation with State Governments to bring about reduction in their overdrafts by the close of the current financial year. Measures need to be devised to tap for national development part of the additional incomes which are accruing to the affluent sections of the farming community. Government have appointed an Expert Committee to examine the problem.

It is a matter for some satisfaction that despite the enormous increase in the Government's commitments on account of refugee relief and hostilities with Pakistan, the price situation did not get out of control. However, Government are not complacent, and will maintain a close watch over prices and distribution of essential commodities. The public distribution system will be strengthened and credit policy kept under constant review.

The Mid-Term Appraisal of the Plan has shown that social welfare schemes tend to be given low priority in the course of implementation. This is being rectified.

A scheme has been approved to provide Central assistance for house sites for landless rural workers. This will supplement the measures taken by State Governments to protect tenants facing eviction by landlords. Government have also approved a scheme for the improvement of urban slums. The urban reconstruction and renewal programme for the Calcutta* Metropolitan area continued with full vigour. In the current year over Rs. 40 crore are expected to be spent on water supply, transportation, housing and other developmental activities in this area.

* Now known as Kolkata.

Eight States have so far favoured Central legislation on ceilings on urban property. They have been requested to get resolutions passed in their legislatures under article 252 of the Constitution. In the meantime, as recommended by the Housing Ministers' Conference, a study group is examining certain aspects of implementation.

In spite of the preoccupation with defence and the problem of refugees, Government proceeded with major reforms in the social structure. One of the notable events of the year was the abolition of princely privileges and purses. Parliament gave its approval to amendments to the Constitution to enable other steps towards the ushering in of a society of equals.

The Government gave effect to the reorganisation of the north-eastern region. The new States of Manipur, Meghalaya and Tripura and the Union Territories of Mizoram and Arunachal Pradesh have come into existence. The nation's good wishes go to the people of these areas. The North-Eastern Council will be established soon. I hope that the States and the Union Territories of the North-East will make rapid progress through close co-ordination of their development efforts.

Elections have just taken place in sixteen States and two Union Territories. The peaceful manner in which they were held has again demonstrated the maturity of our people and their enduring faith in parliamentary democracy. The new Governments which will take office in different States in accordance with the choice made by our people will receive the whole-hearted support of my Government in our common task of eliminating poverty and achieving social justice.

The emergence of Bangladesh under the leadership of Sheikh Mujibur Rahman is a landmark in the history of our subcontinent, indeed in man's search for freedom. We share the happiness of the people of Bangladesh in their triumph. We are gratified that our armed forces have been able to return from Bangladesh so speedily. Sheikh Mujibur Rahman and his colleagues have had a series of discussions with our Governmental leaders on matters of mutual interest. Our Prime Minister is visiting Dacca for further discussions, and to convey the greetings of the people of India to the heroic people of Bangladesh. My Government are giving Bangladesh the fullest possible co-operation in the enormous task of rehabilitating its uprooted people and the reconstruction of its economy. We look forward to uninterrupted growth of co-operation in all fields between our two countries. The similarity in our ideals and outlook holds a good augury for the growth of such relations. A strong, peaceful and friendly Bangladesh will add to the strength and stability of the subcontinent as well as of Asia. We are confident that the new nation will be enabled to make an effective contribution to the community of nations.

We extend a hand of friendship also to the people and Government of Pakistan. We have taken the initiative in proposing direct talks between our two countries without any pre-conditions. We hope that Pakistan will accept the changed situation on the subcontinent and respond to our initiative in a spirit of goodwill. India has no territorial designs on Pakistan or any other country. Our unilateral and voluntary declaration of ceasefire on the Western sector, once the Pakistan forces surrendered in Bangladesh, confirmed this, if indeed confirmation were necessary.

Our foreign policy encountered, and successfully overcame, complex challenges in the past year. The correctness of our analysis of the forces at work on the subcontinent, and the restraint we showed in dealing with them, have been widely recognised. There has been a strengthening of our relations with most of our neighbours.

The signing of the Indo-Soviet Treaty of Peace, Friendship and Co-operation in August last year set the seal on a friendship that has been tested by time. It is a treaty of peace against war. It is not aimed against any country.

We welcome the entry, though belated, of the People's Republic of China into the United Nations, a step which we had been consistently advocating. We hope that this will promote peace and stability in Asia and the world.

There was great disappointment in our country at the lack of sympathy displayed by the Government of the United States of America towards the struggle of the people of Bangladesh for their democratic rights and fundamental freedom. Public opinion in the United States of America has expressed this sympathy in abundant measure and has been critical of the policies of the erstwhile military regime of Pakistan. This gives us hope that our relations with the United States of America, based on mutual respect and understanding, will not be allowed to deteriorate.

One of the important international developments of the year was the move of the United States of America and China to rearrange their relations. We hope that this will lead to a true relaxation of tensions and not to a sharpening of divisions.

The configuration of world forces is changing rapidly. Relations between superpowers and between them and other powers, are also undergoing a change. However, there are certain basic points which have to be borne in mind by all States, big and small. There should not be any attempt to carve out spheres of influence by the application of the doctrine of balance of power in this region or to dictate to countries big or small, regarding their relationship with other countries. India does not seek leadership or

domination. Nor will it tolerate domination by any country. We want this sub-continent and indeed the entire South Asian region and the Indian Ocean area to be free from power rivalries or domination and to develop into an area of peace and co-operation rather than one of confrontation. India would also like to encourage and foster greater regional co-operation, particularly in the fields of technology, trade and transit, science and culture, first and foremost between the countries of the sub-continent and then with other countries of South Asia, South East Asia and West Asia.

My Government welcome the Four-Power Berlin Accord and hope that the process of detente in Europe will continue, leading to stable agreements among the countries concerned.

The emergence of Bahrain, Qatar and the United Arab Emirates as free nations is a welcome development.

My Government deeply regret that the conflicts in West Asia and Vietnam are continuing. My Government hope that attempts to arrive at a peaceful settlement in both these areas will bear early fruit. The intensified bombing in Vietnam is not consistent with the desire for peaceful negotiations.

With the steady implementation of the Indo-Ceylon Agreement on Citizenship and increased economic co-operation, our relations with Ceylon* have been strengthened. The successful conclusion of a new Trade and Transit Treaty with Nepal has removed a source of misunderstanding between the two countries and paved the way towards an era of co-operation to our mutual benefit.

The sudden demise of His Majesty King Mahendra of Nepal has been a matter of deep sorrow to us. We extend our good wishes and co-operation to the new King, and the Government and the people of Nepal. We should like to assure them of our continuing friendship and co-operation for strengthening peace, progress and stability in this region.

We have close relations with Bhutan and it was a matter of deep satisfaction that Bhutan was admitted as a member of the United Nations in September 1971. Our co-operation with Bhutan has been in keeping with our earlier assurances and is bound to grow in the interests of both countries and peoples.

A survey of our internal and external affairs must inevitably include a reference to the legislative and other business which will come up before you.

The estimates of receipts and expenditure of the Government of India for the next financial year 1972-73 will be presented to you for consideration shortly.

* Now known as Sri Lanka.

Government will bring before Parliament Bills for replacing the Contingency Fund of India (Amendment) Ordinance, 1972, the Administrators-General (Amendment) Ordinance, 1972, the Public Wakfs (Extension of Limitation) (Delhi Amendment) Ordinance, 1972 and the Indian Copper Corporation (Taking over of Management) Ordinance, 1972. Government also intend to bring before Parliament the following legislative measures:

- (1) The Antiquities and Art Treasures Bill, 1972.
- (2) A Bill to establish Hill Areas University in North Eastern Region.
- (3) The Untouchability (Offences) Amendment Bill, 1972.
- (4) Bill to provide for deterrent punishments for certain types of economic offences involving contravention of laws regarding Customs, Central Excise, Gold Control, Income Tax and Wealth Tax.
- (5) A comprehensive Bill to provide for amendments of Foreign Exchange Regulation Act.
- (6) Bill to nationalise General Insurance Companies.
- (7) Bill for the nationalisation of the Coking Coal Mines whose management was taken over by the Government.
- (8) The Air Pollution Control Bill.
- (9) The Disturbed Areas (Special Courts) Bills.

Honourable Members, in conclusion, may I remind you that the war against poverty is no less heroic than military action? This larger struggle demands hard work and unwavering adherence to the goal. Nothing great has ever been achieved without consistent endeavour and sacrifice. I call upon all sections and all parties in our great country to display the same spirit of unity in construction that they showed in combat. Let the nation heed the summons to greatness—a greatness not of conventional power but of the spirit.